

# Congress of the United States

Washington, DC 20515

December 17, 2025

Mr. Duane Townsend  
Acting Inspector General  
U.S. Department of Commerce  
1401 Constitution Ave N.W.  
Washington, DC 20230

Dear Mr. Townsend:

We write regarding reports that Secretary of Commerce Howard Lutnick is boosting artificial intelligence (AI) data center projects that stand to enrich his immediate family.<sup>1</sup> Because the billionaire Lutnick family has significant financial investments in data centers — and the electricity needs of those data centers drive up utility bills for families across the country<sup>2</sup> — there is a substantial public interest in ensuring that Secretary Lutnick is not violating federal ethics law to propel data centers that will be profitable for his family while making life more expensive for working Americans. We ask that you expeditiously review these matters.

For decades, Secretary Lutnick owned and led the financial services firm Cantor Fitzgerald (“Cantor”).<sup>3</sup> The ethics agreement that he entered following his nomination as Commerce Secretary required that he divest his stake in Cantor, and he did so by transferring much of that stake to his adult sons, Brandon and Kyle.<sup>4</sup> Although Secretary Lutnick stepped down as Chief Executive Officer of Cantor after his confirmation on February 18, 2025, he did not complete the transfer of his stake in Cantor until October 6, 2025<sup>5</sup> — “meaning he continued to have a financial interest in parts of the family’s business while he was commerce secretary,

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<sup>1</sup> New York Times, “Family Affair: Commerce Secretary’s Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>2</sup> New York Times, “Big Tech’s A.I. Data Centers Are Driving Up Electricity Bills for Everyone,” August 14, 2025, Ivan Penn and Karen Weise, <https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html>.

<sup>3</sup> Reuters, “US Commerce Secretary Lutnick transfers Cantor Fitzgerald stakes to children,” May 19, 2025, <https://www.reuters.com/world/us/us-commerce-secretary-lutnick-transfers-cantor-fitzgerald-stakes-children-2025-05-19/>.

<sup>4</sup> Letter from Howard Lutnick to Alternate Designated Agency Ethics Official Robert Levy, January 21, 2025, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/\\$FILE/Lutnick%20C%20Howard%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/$FILE/Lutnick%20C%20Howard%20%20finalEA.pdf); Wall Street Journal, “Howard Lutnick Transfers Ownership of Cantor Fitzgerald to His Children,” Ben Glickman and Dean Seal, May 19, 2025, [https://www.wsj.com/finance/investing/howard-lutnick-sheds-ownership-stakes-in-cantor-fitzgerald-bgc-newmark-cb076f5f?gaa\\_at=eafs&gaa\\_n=AWetsqcNqvGeICkrKirYCoyfyGNFNT\\_tge4B4092FOXu45cUC3XEix6ejCqEuWwfon0%3D&gaa\\_ts=69376828&gaa\\_sig=MPwesXf9AgouM1TQ6yphk14B-eET\\_mKW3yKLw0BOMMfUbiURaYFV2gQfQfhqPCRRpUgN-hnIV0wsvGVAwWd1Dw%3D%3D](https://www.wsj.com/finance/investing/howard-lutnick-sheds-ownership-stakes-in-cantor-fitzgerald-bgc-newmark-cb076f5f?gaa_at=eafs&gaa_n=AWetsqcNqvGeICkrKirYCoyfyGNFNT_tge4B4092FOXu45cUC3XEix6ejCqEuWwfon0%3D&gaa_ts=69376828&gaa_sig=MPwesXf9AgouM1TQ6yphk14B-eET_mKW3yKLw0BOMMfUbiURaYFV2gQfQfhqPCRRpUgN-hnIV0wsvGVAwWd1Dw%3D%3D).

<sup>5</sup> U.S. Securities and Exchange Commission, Schedule 13D Filing: Howard W. Lutnick - Cantor Equity Partners II, Inc., October 6, 2025, [https://www.sec.gov/Archives/edgar/data/2034269/000121390025096664/xslSCHEDULE\\_13D\\_X01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/2034269/000121390025096664/xslSCHEDULE_13D_X01/primary_doc.xml).

with his name on filings in full view of any client.”<sup>6</sup> During this time, Secretary Lutnick was operating under an ethics waiver from the White House.<sup>7</sup> But the existence of this waiver — and the actions of Secretary Lutnick — continue to “raise[] questions about whether Mr. Lutnick was doing enough to distance himself from possible ethical conflicts.”<sup>8</sup>

Secretary Lutnick’s sons now lead Cantor and have a controlling ownership stake in it.<sup>9</sup> This has created an extraordinary situation: “never in modern U.S. history has the office [of the Commerce Secretary] intersected so broadly and deeply with the financial interests of the commerce secretary’s own family.”<sup>10</sup>

Cantor is invested in the AI data center industry primarily through its ownership of Newmark Group, a real estate broker that facilitates leases for AI data centers.<sup>11</sup> Until his confirmation, Secretary Lutnick was Newmark’s chairman.<sup>12</sup> Kyle Lutnick now sits on Newmark’s board of directors.<sup>13</sup> According to Newmark, “unprecedented data center expansion”

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<sup>6</sup> U.S. Securities And Exchange Commission, Initial Statement of Beneficial Ownership of Securities: Cantor Fitzgerald, L.P. - Satellogic Inc., March 26, 2025, <https://www.sec.gov/Archives/edgar/data/17018/000121390025028801/xslF345X02/ownership.xml>; New York Times, “Family Affair: Commerce Secretary’s Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>7</sup> David Warrington, “Limited Waiver Pursuant to 18 U.S.C. § 208(b)(1),” memorandum, <https://www.whitehouse.gov/wp-content/uploads/2025/07/Howard-W.-Lutnick-Limited-Waiver-Pursuant-to-18-U.S.C.-208b1.pdf>.

<sup>8</sup> New York Times, “Family Affair: Commerce Secretary’s Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>9</sup> Reuters, “US Commerce Secretary Lutnick transfers Cantor Fitzgerald stakes to children,” May 19, 2025, <https://www.reuters.com/world/us/us-commerce-secretary-lutnick-transfers-cantor-fitzgerald-stakes-children-2025-05-19/>; Newmark, “Newmark Announces Repurchase of Approximately 11 Million Shares from Howard W. Lutnick, United States Secretary of Commerce, Former Executive Chairman,” May 19, 2025, <https://www.nmrk.com/insights/press-releases/newmark-announces-repurchase-of-approximately-11-million-shares-from-howard-w-lutnick-united-states-secretary-of-commerce-former-executive-chairman>.

<sup>10</sup> New York Times, “Family Affair: Commerce Secretary’s Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>11</sup> PR Newswire, “Newmark Advises on \$4 Billion Data Center Joint Venture in Pennsylvania,” August 27, 2025, <https://www.prnewswire.com/news-releases/newmark-advises-on-4-billion-data-center-joint-venture-in-pennsylvania-302540471.html>; Forbes, “How AI Is Ushering In A New Nuclear Age,” Christopher Helman and Phoebe Liu, November 21, 2025, <https://www.forbes.com/sites/christopherhelman/2025/11/21/how-ai-is-ushering-in-a-new-nuclear-age/>; New York Times, “Family Affair: Commerce Secretary’s Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>12</sup> Newmark, “Howard Lutnick Confirmed as 41st United States Secretary of Commerce; Steps Down from Newmark Board and Executive Officer Position,” press release, February 18, 2025, <https://www.nmrk.com/insights/press-releases/howard-lutnick-confirmed-as-41st-united-states-secretary-of-commerce-steps-down-from-newmark-board-and-executive-officer-position>.

<sup>13</sup> Newmark, “Kyle Lutnick,” <https://www.nmrk.com/people/kyle-lutnick>; LinkedIn, Kyle Lutnick, <https://www.linkedin.com/in/kyle-lutnick#:~:text=About,flexible%20office%20and%20workspace%20business>.

is helping fuel the company's historic profits.<sup>14</sup> Similarly, Cantor is having its most profitable year on record, with data centers as one key source of revenue.<sup>15</sup>

Multiple press reports indicate that, in his capacity as head of the Commerce Department, Secretary Lutnick has helped boost AI data centers in ways that will likely enrich his own family. He has made public appearances promoting data center projects — including at least one that his family's company has worked on.<sup>16</sup> Furthermore, Secretary Lutnick has reportedly pressured foreign governments to invest in the U.S. data center industry. For example, as part of a recent AI chips export deal with the United Arab Emirates (UAE), Secretary Lutnick reportedly pushed the UAE to “build data centers in America,” in exchange for the United States loosening export control restrictions on certain advanced chips.<sup>17</sup> The Trump Administration ultimately approved this deal, under which the Lutnick-backed Newmark Group is primed to profit from that Emirati investment.<sup>18</sup>

Similarly, as part of another trade deal, Secretary Lutnick reportedly pushed South Korea to invest hundreds of billions of dollars in the United States. One start-up vying for some of South Korea's investment has paid the Lutnick family's companies millions in fees to help it secure financing and land for its new data center.<sup>19</sup> Secretary Lutnick was photographed with the start-up's founder at an event that “celebrated [its] partnership with a South Korean company on the same data center project” — raising concerns that Secretary Lutnick may be using his official position to secure financing for his sons' client, which would in turn enrich his family.<sup>20</sup> While Cantor's executives claim they now “operate independently of Lutnick,” the Secretary's efforts to promote data centers in this manner create at least the appearance that he could be improperly channeling money toward his children and their clients.<sup>21</sup>

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<sup>14</sup> Newmark Group Inc., “Third Quarter 2025 Financial Results Presentation,” October 30, 2025, p. 30, [https://ir-api.egs.com/media/document/621bbe7-8547-4b77-8c8b-f377d02c4f28/assets/NMRK\\_3Q\\_2025\\_Earnings\\_Presentation-vF\\_10.30.2025.pdf?disposition=inline](https://ir-api.egs.com/media/document/621bbe7-8547-4b77-8c8b-f377d02c4f28/assets/NMRK_3Q_2025_Earnings_Presentation-vF_10.30.2025.pdf?disposition=inline); New York Times, “Family Affair: Commerce Secretary's Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>15</sup> Bloomberg, “Howard Lutnick's Sons Score Record Year as Cantor Denies Trump Conflicts,” Todd Gillespie, November 14, 2025, <https://www.bloomberg.com/news/features/2025-11-14/cantor-group-nets-record-year-with-howard-lutnick-s-sons-at-helm>.

<sup>16</sup> New York Times, “Family Affair: Commerce Secretary's Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*; CNBC, “U.S. greenlights AI chip exports to Gulf tech giants after Saudi Crown Prince's Washington visit,” Emma Graham, November 20, 2025, <https://www.cnbc.com/2025/11/20/us-approves-ai-chip-exports-to-gulf-after-saudi-crown-prince-visit.html>.

<sup>19</sup> Forbes, “How AI Is Ushering In A New Nuclear Age,” Christopher Helman and Phoebe Liu, November 21, 2025, <https://www.forbes.com/sites/christopherhelman/2025/11/21/how-ai-is-ushering-in-a-new-nuclear-age/>; New York Times, “Family Affair: Commerce Secretary's Sons Cash In on A.I. Frenzy,” Eric Lipton, Michael Rothfeld, David Yaffe-Bellany, and Ana Swanson, November 20, 2025, <https://www.nytimes.com/2025/11/20/us/politics/howard-lutnick-family-ai.html>.

<sup>20</sup> *Id.*

<sup>21</sup> Bloomberg, “Howard Lutnick's Sons Score Record Year as Cantor Denies Trump Conflicts,” Todd Gillespie, November 14, 2025, <https://www.bloomberg.com/news/features/2025-11-14/cantor-group-nets-record-year-with-howard-lutnick-s-sons-at-helm>.

While the rapid growth of data centers is proving to be lucrative for the Lutnick family, it is also making it harder for American families to pay their monthly utility bills. As members of Congress and several recent reports have highlighted, “energy-hungry data centers [are] send[ing] power costs to records in much of the US, pulling everyday households into paying for the digital economy.”<sup>22</sup> When utility companies spend billions on new electricity infrastructure to support data centers, they may charge more to local households connected to the grid to offset that cost.<sup>23</sup> In some areas, families’ utility bills have skyrocketed by more than 250 percent over just the past five years.<sup>24</sup>

In short, we are concerned that Secretary Lutnick’s official actions to boost AI data centers could be influenced by his conflicts of interest — and that these actions come at the expense of everyday Americans who are forced to bear the higher energy costs of the data centers that are inflating the Lutnick family’s wealth.

Given these serious concerns, we request that you conduct an evaluation of the ethics concerns surrounding Secretary Lutnick and his family, including a review of the following matters:

1. Has Secretary Lutnick violated his obligation to recuse from specific-party matters involving Cantor or its subsidiaries for one year following his resignation from Cantor?<sup>25</sup>
2. During his confirmation process, Secretary Lutnick committed to divest his partnership interests in Cantor not later than 90 days after his confirmation, by May 19, 2025.<sup>26</sup> Why did he not complete the divestiture until October 6, 2025?

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<sup>22</sup> Bloomberg, “AI Data Centers Are Sending Power Bills Soaring,” John Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/>; Letter from Senator Richard Blumenthal to the Secretary of Commerce and the Director of White House Office of Science and Technology Policy, November 10, 2025, [https://www.blumenthal.senate.gov/imo/media/doc/2025-11-11\\_letter\\_ostp-commerce-data\\_centers.pdf](https://www.blumenthal.senate.gov/imo/media/doc/2025-11-11_letter_ostp-commerce-data_centers.pdf); CNBC, “Democratic senators blame White House, AI data centers for rising electricity prices,” Spencer Kimball, November 10, 2025, <https://www.cnbc.com/2025/11/10/democratic-senators-blame-white-house-ai-data-centers-for-rising-electricity-prices.html>; Letter from Senators Elizabeth Warren, Edward J. Markey, Chris Van Hollen, et al., to Federal Energy Regulatory Commission Chair Laura Swett, November 13, 2025, [https://www.markey.senate.gov/imo/media/doc/ferc\\_data\\_center\\_energy\\_costs\\_letter.pdf](https://www.markey.senate.gov/imo/media/doc/ferc_data_center_energy_costs_letter.pdf).

<sup>23</sup> New York Times, “Big Tech’s A.I. Data Centers Are Driving Up Electricity Bills for Everyone,” Ivan Penn and Karen Weise, August 14, 2025, <https://www.nytimes.com/2025/08/14/business/energy-environment/ai-data-centers-electricity-costs.html>.

<sup>24</sup> Bloomberg, “AI Data Centers Are Sending Power Bills Soaring,” John Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/>.

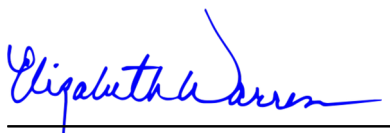
<sup>25</sup> 5 C.F.R. § 2635.502(d); Letter to Alternate Designated Agency Ethics Official from Howard Lutnick, January 21, 2025, p. 2, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/\\$FILE/Lutnick%2C%20Howard%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/$FILE/Lutnick%2C%20Howard%20%20finalEA.pdf).

<sup>26</sup> Associated Press, “Trump’s Commerce Secretary nominee, Howard Lutnick, vows to sell his business interests in 90 days,” Paul Weissman, January 29, 2025, <https://apnews.com/article/lutnick-trump-tariffs-commerce-trade-ffee741e10c1c483ab03c564d6cd907a>; Politico, “Senate confirms Lutnick to lead Trump’s Commerce Department,” Ben Leonard, February 18, 2025, <https://www.politico.com/live-updates/2025/02/18/congress/senate-confirms-lutnick-trump-commerce-department-00204695>.

3. Mr. Lutnick received an ethics waiver that allowed him to continue to work on otherwise prohibited matters until his divestment in October 2025.
  - a. Why did Mr. Lutnick receive this waiver?
  - b. Were there any specific terms and conditions of the waiver not enumerated in the July 8, 2025 White House memorandum?<sup>27</sup>
  - c. How were the terms and conditions of this waiver enforced? Did Mr. Lutnick consult with agency ethics officials regarding compliance, and if so, what was he told regarding his participation in otherwise prohibited matters?
  - d. Did Mr. Lutnick work on any matters that would have otherwise been prohibited while under this waiver? If so, what was the outcome of these matters?
4. Prior to October 6, 2025, did Secretary Lutnick work on any particular matters in which Cantor has a financial interest?
5. Prior to October 6, 2025, did Secretary Lutnick work on any particular matters in which Newmark has a financial interest?
6. Has Secretary Lutnick participated in decisions related to AI data centers?
  - a. Have any of those decisions impacted data centers in which Cantor or Newmark has a financial interest?
7. Has Secretary Lutnick or anyone else in the Office of the Secretary communicated with Brandon Lutnick, Kyle Lutnick, or any other Cantor executive about AI data centers since February 18, 2025?

Thank you for your attention to this important matter.

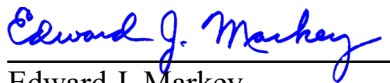
Sincerely,



Elizabeth Warren  
United States Senator



Madeleine Dean  
Member of Congress



Edward J. Markey  
United States Senator



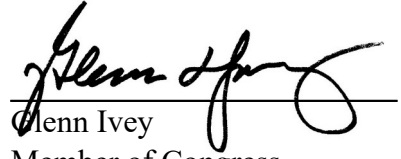
Rashida Tlaib  
Member of Congress

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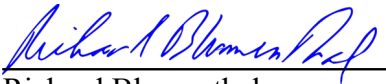
<sup>27</sup> David Warrington, “Memorandum for Howard W. Lutnick, U.S. Secretary of Commerce: Limited Waiver Pursuant to 18 U.S.C. § 208(b)(1),” <https://www.whitehouse.gov/wp-content/uploads/2025/07/Howard-W.-Lutnick-Limited-Waiver-Pursuant-to-18-U.S.C.-208b1.pdf>.



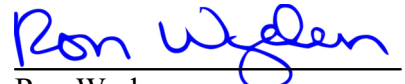
Chris Van Hollen  
United States Senator



Glenn Ivey  
Member of Congress



Richard Blumenthal  
United States Senator



Ron Wyden  
United States Senator



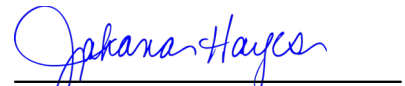
Yassamin Ansari  
Member of Congress



Henry C. "Hank" Johnson, Jr.  
Member of Congress



Maxwell Alejandro Frost  
Member of Congress



Jahana Hayes  
Member of Congress



Eleanor Holmes Norton  
Member of Congress



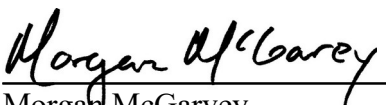
Summer L. Lee  
Member of Congress



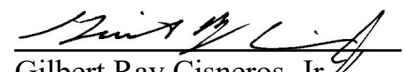
Nikema Williams  
Member of Congress



Valerie P. Foushee  
Member of Congress



Morgan McGarvey  
Member of Congress



Gilbert Ray Cisneros, Jr.  
Member of Congress



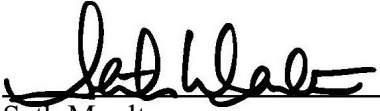
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André Carson  
Member of Congress



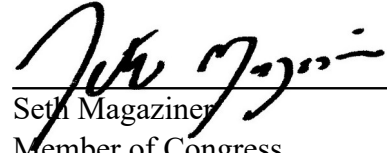
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Paul D. Tonko  
Member of Congress



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Seth Moulton  
Member of Congress



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Seth Magaziner  
Member of Congress



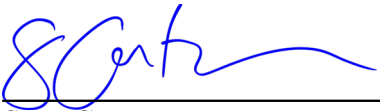
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Mike Quigley  
Member of Congress



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Julia Brownley  
Member of Congress



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Sean Casten  
Member of Congress



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Pramila Jayapal  
Member of Congress



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James P. McGovern  
Member of Congress